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QUESTION OF THE REALIZATION IN ALL COUNTRIES OF THE ECONOMIC, SOCIAL AND CULTURAL RIGHTS CONTAINED IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND IN THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS, AND STUDY OF SPECIAL PROBLEMS WHICH THE DEVELOPING COUNTRIES FACE IN THEIR EFFORTS TO ACHIEVE THESE HUMAN RIGHTS

Human rights and extreme poverty

Report of the High Commissioner for Human Rights on the creation of microcredit programmes

1. The Commission on Human Rights, in its resolution 1997/11, paragraph 7 (h), requested the High Commissioner for Human Rights to continue discussions with the World Bank and report on the creation of microcredit programmes at the fifty-fourth session of the Commission.

2. The Office of the High Commissioner for Human Rights continued its efforts to establish closer ties and develop concrete projects with the World Bank. To date no joint programmes have been undertaken.

3. For a comprehensive overview of the microfinance programmes of the World Bank, the High Commissioner for Human Rights draws the attention of the Commission to the Bank's programme "Sustainable Banking for the Poor", (SBP) a collaborative effort of the World Bank, the Ministry of Foreign Affairs of Norway, the Swiss Agency for Development and Cooperation, and the Ford Foundation.

4. SBP is a project that aims at improving the ability of donors, Governments and practitioners to design and implement policies and programmes to build sustainable financing institutions that are effective in reaching the

poor. It is carrying out a series of case studies of microfinance institutions in Asia, Africa and Latin America that have pioneered innovative approaches for reducing the costs and risks of providing financial services to a large number of low-income clients. The case studies cover a wide range of types of institutions and programmes, including commercial banks, specialized banks, credit unions, non-governmental organizations and non-bank financial institutions.

5. The project draws on several disciplines - economics, finance, anthropology - and uses both quantitative and qualitative approaches to analyse why some programmes have successfully delivered financial services to the poor while others have fallen short. Success is defined by financial sustainability and by access and outreach. Financial sustainability is measured in terms of key financial performance indicators, including the Subsidy Dependence Index used in the Bank. Access and outreach are measured by assessing how far beyond the "frontier of finance" a programme has gone to reach those who have been unable to use formal financial services - whether because of gender, income, illiteracy, ethnic identity, geographic location, or lack of collateral. Based on these case studies, the project will produce a number of publications on sustainable banking with the poor that will distil lessons for policy formulation, programme design and implementation.

6. The SBP project has also established a Seminar Series as a means to disseminate best practice in the Bank and as a forum for discussion of problems and issues emerging in the rapidly growing field of microfinance. Thus far, 18 seminars have been held, and abstracts have been produced and circulated for selected seminars.

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